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Amendment No. 11 to HB1781

Turner (Dav)
Signature of Sponsor

AMEND Senate Bill No. 1688**House Bill No. 1781**

By deleting all sections following the enacting clause and substituting the following:

SECTION 1. Tennessee Code Annotated, Section 67-6-102(24)(F), is amended
by adding the following as a new appropriately designated item:

(x) The performing or furnishing, for a consideration, of any of the
following:

- (a) Administrative and support services;
- (b) Construction services;
- (c) Educational services;
- (d) Finance, insurance, and real estate;
- (e) Healthcare and social services (for-profit);
- (f) Healthcare and social services (not-for-profit);
- (g) Information services;
- (h) Media advertising services;
- (i) Personal services;
- (j) Professional and technical services; and
- (k) Transportation services.

SECTION 2. Tennessee Code Annotated, Section 67-6-206(a), is deleted in its
entirety.

SECTION 3. Tennessee Code Annotated, Section 67-6-206(b)(1), is amended
by deleting the language "one percent (1%)" and "one and one-half percent (1.5%)"
respectively and substituting the language "two and one-half percent (2.5%)" and "three
percent (3%)" respectively.

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SECTION 4. Tennessee Code Annotated, Section 67-6-206(b)(2) through (7), are deleted in their entirety.

SECTION 5. Tennessee Code Annotated, Section 67-6-207, is deleted in its entirety.

SECTION 6. Tennessee Code Annotated, Section 67-6-216(a), is amended by deleting the language "one-half (1/2) the rate provided for in Section § 67-6-202" and substituting the language "five percent (5%)".

SECTION 7. Tennessee Code Annotated, Section 67-6-217, is amended by deleting the language "four and one-half percent (4.5%)" and substituting the language "six percent (6%)".

SECTION 8. Tennessee Code Annotated, Section 67-6-309, is deleted in its entirety.

SECTION 9. Tennessee Code Annotated, Section 67-6-313(g), is deleted in its entirety.

SECTION 10. Tennessee Code Annotated, Section 67-6-316, is deleted in its entirety.

SECTION 11. Tennessee Code Annotated, Section 67-6-319, is amended by deleting subsection (b) in its entirety.

SECTION 12. Tennessee Code Annotated, Section 67-6-320, is amended by deleting this section in its entirety.

SECTION 13. Tennessee Code Annotated, Section 67-6-321, is amended by deleting the section in its entirety.

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SECTION 14. Tennessee Code Annotated, Section 67-6-329, is amended by deleting subdivisions (a)(1), (2), (3), (4), (5), (6), (9), (10), (12), (16), (17), and (21).

SECTION 15. Tennessee Code Annotated, Section 67-6-330, is amended by deleting subdivisions (a)(3), (a)(8), and (a)(19).

SECTION 16. Tennessee Code Annotated, Section 67-6-334, is amended by deleting the section in its entirety.

SECTION 17. Tennessee Code Annotated, Section 67-6-336, is amended by deleting the section in its entirety.

SECTION 18. Tennessee Code Annotated, Section 67-6-303(b), is amended by deleting the section in its entirety.

SECTION 19. Tennessee Code Annotated, Section 67-6-102(13)(E), is amended by deleting the section in its entirety.

SECTION 20. Tennessee Code Annotated, Section 67-6-226, is amended by placing a period after the language "offered for public consumption" in the sixth and seventh lines and deleting the remainder of the section following that language.

SECTION 21. Tennessee Code Annotated, Section 67-4-506, is amended by deleting the section in its entirety.

SECTION 22. Tennessee Code Annotated, Section 67-3-1511, is amended by deleting the section in its entirety.

SECTION 23. Tennessee Code Annotated, Section 67-3-1302, is amended by adding the following new subsection:

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(d) Sales of fuels taxed under this section for agricultural purposes shall be subject to the tax imposed by this section.

SECTION 24. Tennessee Code Annotated, Section 67-3-2006, is amended by adding the following new subsection:

(c) The expenses of the highway patrol, provided for in Title 4, Chapter 7, shall be paid from funds deposited in the highway fund.

SECTION 25. Tennessee Code Annotated, Title 67, Chapter 6, Part 3 is amended by adding the following new section:

67-6-385.

(a)

(1) Except as provided in subdivision (2), the sale of food and food ingredients for human consumption shall be exempt from the tax levied by this chapter.

(2) The following food and food ingredients shall remain subject to the tax levied by this chapter:

(A) Candy;

(B) Dietary supplements; and

(C) Prepared food.

(3) For purposes of this chapter:

(A) "Candy" means a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts, or other ingredients or flavorings in

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the form of bars, drops, or pieces. Candy shall not include any preparation containing flour and shall require no refrigeration.

(B) "Dietary supplement" means any product, other than tobacco, intended to supplement the diet that:

(i) Contains one (1) or more of the following dietary ingredients:

(a) a vitamin;

(b) a mineral;

(c) an herb or other botanical;

(d) an amino acid;

(e) a dietary substance for use by

humans to supplement the diet by

increasing the total dietary intake; or

(f) a concentrate, metabolite,

constituent, extract, or combination of any

ingredient described above; and

(ii) Is intended for ingestion in tablet,

capsule, powder, softgel, gelcap, or liquid form, or if

not intended for ingestion in such a form, is not

represented as conventional food and is not

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represented for use as a sole item of a meal or of
the diet; and

(iii) Is required to be labeled as a dietary
supplement, identifiable by the "Supplement Facts"
box found on the label and as required pursuant to
21 C.F.R. §101.36.

(C) "Prepared food" means:

(i) Food sold in a heated state or heated by
the seller;

(ii) Two (2) or more food ingredients mixed
or combined by the seller for sale as a single item;
or

(iii) Food sold with eating utensils provided
by the seller, including plates, knives, forks,
spoons, glasses, cups, napkins, or straws.

"Prepared food" does not include:

(a) food that is only sliced,
repackaged, or pasteurized by the seller; or

(b) soft drinks.

(b) Except as otherwise provided in this section, "food and food
ingredients" means substances, whether in liquid, concentrated, solid,

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frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value.

(c) As used in this section, "food and food ingredients" does not include:

(1) "Alcoholic beverages" which means beverages that are suitable for human consumption and contain one-half (1/2) of one (1) per cent or more of alcohol by volume; and

(2) "Tobacco" which means cigarettes, cigars, chewing or pipe tobacco, or any other item that contains tobacco.

SECTION 26. The commissioner shall promulgate as rules such policies and procedures as may be necessary to effectuate the purposes of this act. All such rules shall be promulgated in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 27. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 28. Section 26 of this act shall take effect upon becoming a law, the public welfare requiring it. All other sections of this act shall take effect August 1, 2001, the public welfare requiring it.